

390.0000 ESCAPE ASSESSMENTS

*See Assessment Appeals Board
Homeowners' Exemption
State-Assessed Property*

390.0001 Assessment Appeals. There is no section of the Revenue and Taxation Code that modifies the four-year statute of limitations for escape assessments based solely on the fact that an application for reduction of assessment has been filed. There is, however, a so-called "late-discovery exception" thereto (*Silver v. Watson*, 26 Cal.App.3d 905), which may be applicable if it is established that a cause of action could not with reasonable diligence have been discovered prior to the running of the statute. (See *Orange County Rock Products Co. v. Cook Bros. Equipment Co.*, 246 Cal.App.2d 698.) C 12/17/82.

390.0010 Assessment Year. As used in Revenue and Taxation Code sections 531.2 and 532, "assessment year" means the period set forth in Revenue and Taxation Code section 118, a given lien date to the next succeeding lien date. LTA 7/1/88 (No. 88/50).

390.0015 Change in Control. LTA 10/21/83 (No. 83/112). (Deleted 2002)

390.0020 Change in Ownership. C 9/1/81. (Deleted 2002).

390.0030 Dissolved or Bankrupt Corporation. Collectibility of tax liability resulting from an escape assessment is dependent upon whether or not real property subject to a lien is involved. If it is, an escape assessment against a dissolved or bankrupt corporation should be pursued, but if there is no lien and the corporation no longer exists, the obligation of the assessor to pursue an escape assessment should cease. C 8/31/81.

390.0031 Evidence of Value. Evidence of value coming to light after a lien date may not be used to establish a basis for an escape assessment if the evidence was not in existence on the lien date and could not, therefore, have been considered when establishing the lien date value. C 3/4/87.

390.0033 Foreclosed Property. A trust deed beneficiary who makes a credit bid on the secured real property at a trustee's sale and thereby obtains title to such real property is considered a "purchaser for value" of the real property within the meaning of Revenue and Taxation Code section 531.2. The term "bona fide", however, generally is interpreted to mean "in good faith ... without knowledge or notice of the prior interest." Thus, questions of fact may arise with regard to whether or not a given foreclosing trust deed beneficiary is "bona fide" within the meaning of section 531.2 as to a forthcoming escape assessment. C 8/9/96; C 1/13/97.

390.0055 Mandatory Audit. If an audit discloses that computer equipment was incorrectly classified on the business property statement and was assessed at a lower value as a result of the misclassification, the assessor may issue an escape assessment pursuant to Revenue and Taxation Code section 531.4 for the value of the equipment that was underassessed. However, if the taxpayer accurately reported the computer equipment, but the assessor determines by audit that incorrect lives were used that caused the equipment to be assessed at a lower value, the equipment is not subject to an escape assessment. A change in a life table involves the exercise of value judgment, and the assessor is not authorized to correct such an error under Revenue and Taxation Code section 4831. C 1/3/2005; 4/6/2006.

390.0060 Morgan Property Taxpayers' Bill of Rights. Legislation, effective January 1, 1994, contains numerous provisions relating to assessment appeals, escape assessments, and information to provided assessees and it establishes "The Morgan Property Taxpayers' Bill

of Rights." The State Board of Equalization is required to designate an independent "Property Taxpayers' Advocate" who is to be responsible for reviewing the adequacy of procedures relating to the distribution of information regarding property tax assessment matters among the Board, assessors, and taxpayers and of procedures relating to the expeditious handling of Board, assessor, and taxpayer inquiries, complaints and problems. LTA 10/12/93 (No. 93/62); LTA 12/30/93 (No. 93/80).

390.0065 Notice. Pursuant to Revenue and Taxation Code section 531.8, a Notice of Proposed Escape Assessment is a mandatory legal prerequisite to making an escape assessment. Absent such notice, no escape assessment may be levied and, if levied, is invalid. Additionally, the assessor's failure to send notice within the four-year time limitation period of Revenue and Taxation Code section 532 completely bars an escape assessment made outside that period. C 10/13/98.

390.0070 Properties Having 1976 or Subsequent Base Year Values. C 9/24/82. (Deleted 2002)

390.0080 Property Not Enrolled/Increases in Value. Both taxable, tangible property not previously enrolled and increases in value to such property that has previously been enrolled should be considered as escaped property, and escape assessments rather than roll corrections are proper in such instances. While Revenue and Taxation Code section 4831(a) provides that any error of the assessor resulting in incorrect entries on the roll may be corrected, it is errors or defects of a clerical nature that are contemplated, not errors which have allowed properties or portions of properties to escape assessment. Accordingly, where an assessor has received notice of a change in ownership but has not acted thereupon, or where he has received late notice of a change in ownership due to death, escape assessments should be made. C 1/21/82.

390.0083 Recorded Document. The recording of documents of title is a form of notice to the assessor, since assessors regularly receive recorded information from the recorder's office. The recording of a death certificate is considered to be the recording of a document evidencing a change in ownership, and the four-year statute of limitations for escape assessments applies. However, if it is not possible to relate the decedent's name on a death certificate with the decedent's name on title to property owned, the recording of a death certificate would not be considered adequate notice to an assessor, and the eight-year statute of limitations for escape assessments would apply. C 3/27/2001.

390.0085 Statute of Limitations. The limitation under Statutes of 1979, Chapter 242, Section 43 of the authority of a county assessor to enroll escape assessments for years prior to 1979-1980 to reflect the "full cash value" of any property is constitutional. OAG 4/18/80 (No. 79-1005, Vol. 63, p. 304).

390.0086 Statute of Limitations. On and after January 1, 1988, Revenue and Taxation Code section 51.5 provides that any error or omission in the determination of a base year value which involves the exercise of an assessor's judgment as to value may be corrected only if it is corrected on the current roll being prepared within four years after July 1 of the assessment year for which the base year value was first established. Nonjudgmental errors, however, may be corrected in any assessment year in which the error or omission is discovered. LTA 7/1/88 (No. 88/50).

390.0087 Statute of Limitations. C 5/17/88. (Deleted 2002)

390.0088 Statute of Limitations. On or after January 1, 1995, escape assessments may be made within the period of the statute of limitations of Revenue and Taxation Code section 532 in effect at the time the escape assessments are made, notwithstanding that such

escape assessments would have been barred under the provisions of the previous version of the statute. C 2/6/95.

[390.0089](#) **Statute of Limitations.** A preliminary change in ownership statement that is filed three years after the date of change in ownership is not considered a timely filing under Revenue and Taxation Code section 480. In order to be timely, it must be filed within 45 days. Pursuant to Revenue and Taxation Code section 532(b)(2), the applicable statute of limitations period for such unrecorded changes in ownership is eight years after July 1 of the assessment year in which the property escaped taxation. Because property is considered to escape assessment each year the change in ownership remains undiscovered, the assessor may issue escape assessments eight years prior to the year in which the change in ownership is discovered. C 6/8/2007.

[390.0090](#) **Timely Notice.** An escape assessment is timely if made within a period specified in Revenue and Taxation Code section 532. The fact that notice thereof is sent to the assessee at a later date does not affect the validity of the escape assessment. C 6/14/79.

[390.0100](#) **Unrecorded.** The phrase "unrecorded change in ownership or change in control" in Revenue and Taxation Code section 532(b) refers solely to deeds or other documents reflecting a change in the recorded title to property and does not refer to change in ownership statements. The statute of limitation periods for making arbitrary and escape assessments are based upon both the filing of documents of title *and* the filing of change in ownership statements. The basic purpose of the requirement for filing change in ownership statements is to give notice and information to the assessor. However, the recording of documents of title is also a form of notice to the assessor, since assessors regularly receive recorded information from the recorder's office. Accordingly, the property tax consequences for failing to file a change in ownership statement are less severe if documents of title have been recorded and more severe if documents of title have not been recorded. C 2/27/2001.